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June 2, 1999

BY HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

RECEIVED

JUN 02 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Notice of Ex Parte Presentation:
IB Docket No. 98-172, RM-9005, RM-9118

Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's rules, Hughes Electronics ("Hughes") hereby submits this notice of an ex parte presentation.

As a follow up to meetings on May 18 and 19 between representatives of Hughes and the individuals listed below, where arguments reflected in Hughes's written comments in this proceeding were addressed, Hughes today is distributing to those individuals the enclosed two-page written issues summary.

Copies of this Notice of Ex Parte Presentation are being provided to the Commission representatives identified above. An original and six copies are enclosed.

No. of Copies rec'd CHG
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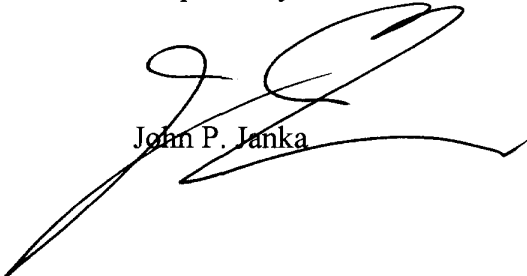
LATHAM & WATKINS

Ms. Magalie Roman Salas

June 2, 1999

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Respectfully submitted,


John P. Janka

cc:

Commissioner Susan Ness

Commissioner Harold Furchtgott-Roth

Mr. Dan Connors

Mr. Ari Fitzgerald

Ms. Jennifer Gilsenan

Ms. Karen Gulick

Mr. Roderick Porter

Mr. Peter Tenhula

Mr. William Trumpbour

Mr. Thomas Tycz

Spaceway FCC Issues

Broadband satellite service—implementation of the Ka band plan

- ***Spaceway is the 1st committed broadband satellite system—GSO or NGSO***
 - Hughes committed \$1.4B for the initial phase
 - Significant technology and system improvements since system was proposed in 1995
 - Service to the US scheduled to commence in 2002
- ***Spaceway—satellite competition to terrestrial broadband***
 - Spaceway will serve all users—home; small, medium & large businesses
 - Prices 20-30% lower than terrestrial
 - More choices, better service, lower prices—the FCC's objectives
 - However, pending FCC decisions affect our ability to compete
- ***Pending FCC issues affecting Spaceway***
 - Ka band plan reflects a difficult compromise made in 1996 to which all industry—GSO, NGSO, feeder links, LMDS—agreed.
 - Critical the FCC maintain agreed 1 GHz for GSO.
 - 250 MHz of spectrum shared with terrestrial (as FCC proposes) reduces Spaceway capacity, accommodates fewer users, increases prices, and results in a less competitive and less affordable service to the public.
 - Spaceway does not use gateways; all spectrum must support small terminals, which require 1 GHz of downlink spectrum.
 - Downlink issues: Hughes proposes the FCC allocate to GSO FSS 18.1-18.6 (by relocating CARS), in addition to the existing 19.7-20.2 GHz, for a total of 1 GHz of unshared downlink spectrum.
 - Uplink issues: Ubiquitous Spaceway terminals can share 29.25-29.5 GHz with MSS feeder links, but only on conditions agreed by FCC in original band plan. Any changes--dropping MSS constraints—would unfairly imbalance the compromise agreement.

Spaceway FCC Issues

■ *Blanket licensing parameters*

- Spaceway has optimized space-ground network to increase capacity & reduce customer equipment & service costs
- Small, inexpensive terminals key to consumer and small business market
- With lower costs, Spaceway can work for consumers everywhere, rural, urban and suburban, providing affordable, ubiquitous coverage
- Spaceway presented new antenna data to the GSO licensees to show that lower power earth terminals are feasible at desired costs. Measured data from the antenna manufacturers will be presented to GSO licensees on June 15

■ *GSO/NGSO sharing issues*

- The FCC has adopted a US band plan segmenting GSO and NGSO primary operations
- Hughes and other licensees are committing \$billions on the basis of that band plan
- The ITU is considering global limits on NGSOs operating on GSO frequencies, but that does not change the US band plan and the FCC has not proposed to do so
- The FCC should maintain its division of GSO and NGSO spectrum at Ka band so US systems can go forward immediately
- Adding NGSOs later would be unfair to the GSO investors and users
- If, contrary to Hughes' position above, the FCC considers authorizing NGSOs on GSO primary spectrum, it should reallocate all Ka band satellite spectrum for shared GSO and NGSO use, with pfd limits on all NGSO operations -- necessary to permit GSO use